



**COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Room 205 -- Los Angeles, California 90020
(213) 351-5602

DAVID SANDERS, PH.D.
Director

November 12, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST FOR APPROVAL AND AUTHORIZATION TO NEGOTIATE
THE TERMS AND CONDITIONS OF A TITLE IV-E DEMONSTRATION
WAIVER BEGINNING STATE OR FEDERAL FISCAL YEAR 2004-05
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of the Los Angeles County Department of Children and Family Services (DCFS) to work with the Director of the California Department of Social Services (CDSS) in seeking authorization for the Secretary of the United States Department of Health & Human Services (HHS) to conduct a Child Welfare Waiver Demonstration Project (CWWDP) pursuant to the Social Security Act (SSA).
2. Authorize the Director of DCFS to negotiate the terms and conditions of the Title IV-E Demonstration Waiver.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of the recommended actions is to enable DCFS to expand the range of solutions and services to respond to the safety and permanency needs for children and

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families in a most timely, least intrusive manner through the flexible and efficient use of IV-E dollars and collaboration with our community partners. The SSA authorizes HHS to approve a limited number of CWWDPs and waive certain requirements of Title IV-E and sections of the SSA that govern foster care, adoption assistance, independent living, child welfare services, community-based family support, reunification and adoption promotion.

Under the waivers, states can design and demonstrate a wide-range of approaches to reform child welfare and improve outcomes in the areas of safety, permanency and well-being. DCFS proposes to use the waiver to spend existing IV-E dollars flexibly to develop a unique service array geared toward each family's individual needs in order to ensure safety and permanency for children, preferably in the family of origin, whenever possible.

Please see the attached Los Angeles IV-E Waiver Concept Paper.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan. CWWDPs are consistent with all the implementation strategies of Goal #1, Service Excellence; Goal #3, Ensure that service delivery systems are efficient, effective, and goal-oriented; and Goal #5, Children and Families Well-Being, Improve the well-being of children and families in the County of Los Angeles.

FISCAL IMPACT/FINANCING

The SSA provides authority for states to use IV-E funds more flexibly through CWWDPs in order to test innovative approaches to child welfare service delivery and financing. While waivers provide greater flexibility to states in how they use IV-E funds for services that facilitate permanence for children, they also require that all the demonstration projects be cost neutral to the federal government. Therefore it is required that there will be no impact on federal funding. It is likely the State will also insist on cost neutrality to the State as well. DCFS will negotiate with that State and Federal Governments the methodology for determining cost neutrality. DCFS does not anticipate a negative impact on net County costs or the DCFS budget.

The IV-E waiver will allow DCFS to separate foster care maintenance payments and a portion of foster care administrative payments from the current funding model of federal and State reimbursement for eligible activities and children. DCFS proposes that the County and State negotiate with the Federal Government a fixed amount annually based on an overall base and adjusted for population growth and inflation. DCFS also proposes that the negotiated amount be prorated and paid monthly.

Generally, due to the experimental nature of CWWDPs, the County would have to finance costs incurred that are in excess of the agreed upon federal funding allocation, which if exceed would negatively impact net County costs. Conversely, the County proposes to retain all savings from the CWWDP. DCFS proposes to reserve the right to renegotiate the federal allocation if there are any significant changes in policy, regulation or law at the federal or State level that would adversely impact related staffing requirements or increase responsibilities on the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Currently, Title IV-E allows states to claim federal reimbursement for the costs of providing foster care for only for the most "needy" children (i.e., defined as those eligible for Aid to Families with Dependent Children based upon a 1996 income standard). In addition, IV-E only provides reimbursement for food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance, visitation travel costs, and the administrative costs associated with providing the items noted above, for eligible children that are removed from their home.

A IV-E waiver for Los Angeles County will benefit children in the care and custody of DCFS by increasing its flexibility in the use of resources that focuses on developing and accessing a wide variety of community resources to respond to the safety and permanency needs of all children and families, regardless of Title IV-E eligibility, in the most timely, effective, efficient and least intrusive manner. Please see the attached Los Angeles IV-E Waiver Concept Paper.

The Chief Administrative Office (CAO) concurs with the requested action.

IMPACT ON CURRENT SERVICES

The DCFS CWWDP is designed to improve outcomes for children and demonstrate that increases in IV-E funding flexibility in large, urban environments lead to corresponding increases in the number of children who can remain safely in their homes, reduce the rate of recidivism for abused and neglected children, reduce reliance on out-of-home care, and shorten the timelines to permanency for children.

Use of the IV-E waiver should reduce the rate of recidivism for abused and neglected children by a combination of caseload reduction and an increase in the amount of time caseworkers spend with each family. Funding flexibility will allow DCFS to expand collaboration with system and community providers and focus on performance-based outcomes to determine how well client needs were met and identify which providers were most effective.

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Finally, the CWWDP should reduce the amount of time it takes children to attain permanency and allow families to remain together or quickly reunited, or expedite alternative permanency options when reunification is not possible.

CONCLUSION

Upon approval by the Board of Supervisors, it is requested that the Executive Officer / Clerk of the Board send one (1) copy of the Adopted Board letter to:

Department of Children and Family Services
Bureau of Finance
Attn: Joan Smith, Bureau Chief
425 Shatto Place, Room 403
Los Angeles, California 90020

Respectfully submitted,

[Original signed]

DAVID SANDERS, PH.D.
Director

Attachment (1)

DS:JS:TB:cj

c: Chief Administrative Officer
County Counsel

LOS ANGELES IV-E WAIVER CONCEPT PAPER

INTRODUCTION:

The emphasis of the Los Angeles County IV-E demonstration waiver is to improve the following outcomes for children in Los Angeles County care:

- Increase the number of children able to remain safely in their homes
- Reduce the rate of recidivism of abuse or neglect once a child has entered Child Protective care
- Reduce the timelines to permanency for children

The Los Angeles County child protection system is extremely challenged with the number of referrals, investigations and children coming into agency custody. We struggle to meet the needs of children as cost for out-of-home placement continues to rise and the commitment of resources continues to decrease. High caseloads and lack of fiscal resources to fund needed services early in the life of a case have lead to children entering the system that might have been able to remain in the birth home, staying longer while in care and experiencing delays in achieving permanency.

The Los Angeles County waiver seeks to test the theory of increased flexibility in the use of resources that focuses on developing and accessing a wide variety of community resources to respond to the safety and permanency needs of all children and families (regardless of IV-E eligibility), in the most timely, effective, efficient and least intrusive manner. We believe that through a much more flexible use of IV-E dollars we will improve upon the outcomes for children at a reduced overall cost per child than the current system.

CURRENT SYSTEM:

Services traditionally provided by Los Angeles County have been provided based upon funding eligibility and availability and not always because of identified needs of children and their families. The current funding inflexibility forces our system to provide ineffective and overly intrusive services to meet funding eligibility restrictions. This often is detrimental to the children and families we serve. Through the waiver, we would have flexibility to use funds to provide a unique service array, geared toward each family's individual needs in order to ensure permanency for children, preferably in the family of origin, whenever possible.

PROPOSED CHANGE:

Los Angeles proposes to demonstrate through the use of a IV-E waiver that a large, urban, child protection system will be able to more effectively serve children at risk of

abuse and neglect and their families through flexible use of IV-E funds than is possible under currently IV-E federal restrictions.

Under the IV-E waiver, Los Angeles plans to decouple foster care maintenance payments and a portion of foster care administrative payments from the current model of reimbursement for eligible activities on behalf of eligible children. We would implement a new model where the federal government will provide monthly payments based upon a negotiated overall funding base and appropriate population growth and/or inflation factor.

Los Angeles will demonstrate that a significant increase in flexibility in the use of IV-E funds in a large urban child protection system can:

- increase the number of children who can remain in their homes through use of an expanded array of services that focus on early intervention, increased community support for families, and reduced reliance on out-of-home care
- reduce the rate of recidivism for abuse and neglect for children served by the system through a reduction in caseload for workers to increase time workers spend with each family, and expanded collaboration with other system and community providers focused on performance measurement of outcomes to meet client needs
- reduce timelines to permanency for children with more timely services provided that allow families to remain together or quickly reunite or to expedite alternative permanency option when reunification is not possible
- reduce average cost per child in the system

HYPOTHESIS TO BE TESTED:

Los Angeles County proposes to conduct an evaluation of the impact of increased flexibility in use of IV-E funds on improved safety and permanency outcomes for children served by our child welfare system. The demonstration could evaluate outcomes through two options: 1) evaluate outcomes pre (control group) and post (experimental) waiver for children in the system; 2) establish a control group using other counties in California or major urban areas in other states and evaluate outcomes of the control group and Los Angeles County (experimental group).

Comparing outcomes for the experiential and control groups will list the following experiential hypotheses:

1. Children in the experimental group will have a lower incidence and recurrence of abuse and neglect than children in the control group.
2. Children in the experimental group will experience fewer and less restrictive placements than children in the control group.

3. Children in the experimental group will spend less time in foster care before adoption and/or guardianship than children in the control group.
4. Children in the experimental group will have a higher incidence of remaining in their home or reunification to their home than children in the control group.
5. Children in the experimental group will have a lower average cost of care than children in the control group.

PROPOSED PROGRAM INTERVENTIONS:

The proposed program interventions would be tailored to the individual family's needs and the development of supports that keep the child with the family when possible. Whether the child is able to remain with the family or not, interventions would engage the family and extended family in the development of the case plan and decisions related to the case. Some examples of interventions include:

- expand use of team decision making models
- expand use of Wraparound Services and Family Preservation Services
- expand use of alternative response
- increase number of workers able to respond to referrals/investigation and develop immediate service plan and access to resources
- reduce caseload size for all types of cases to increase availability and quality of case management services
- develop housing resources that support reunification of parents with their children as part of service
- expand funds to help families remain in current housing, if housing is in jeopardy and loss of housing threatens child's ability to stay with their family
- expand resources to support parents with drug and alcohol treatment and rehabilitation
- expand use of a joint response by an investigation worker and a domestic violence worker in developing case plans where domestic violence is a major issue threatening child safety
- expand ways to access and support ongoing mental health issues for both children and parents, including expansion of multidisciplinary teams

- expand adoption recruitment and relative search activities to increase permanency options and decrease timelines
- expand post adoption and post kingap supports to families to maintain permanency for children and reduce re-entry into the system

MAJOR GOALS: OUTCOMES:

1. To secure major increases in the number of children that can remain safely in the homes.
2. To significantly reduce the incidence and recurrence of abuse and neglect for children served by the child protection system.
3. To significantly reduce the timelines to permanency (reunification, adoption, guardianship) for children.

TARGET POPULATION:

All children served by Los Angeles County Children and Family Services Department (Regardless of IV-E Eligibility).

EVALUATION:

Los Angeles would propose two options for evaluation. The first would be to measure outcomes for children pre waiver and compare those results to children served in the waiver.

The second option is to develop a control group from other large urban counties that rely heavily on traditional IV-E funded services for their primary service offering.

Given the nature of the proposal, requiring a randomized sample within Los Angeles would be unnecessarily administratively burdensome and extremely confusing. And while other counties may have same or similar interventions, this would test if use of flexible funds could further advance these efforts.

COSTS:

Our initial proposal would be for the county to negotiate a base for funding likely based on past years experience and adjusted for expected case/population growth and inflation. This would be paid as a monthly allocation at the beginning of each month. Once agreed to, the county would accept risk for costs over the agreed set allocation as long as case/population growth and inflation adjustments were accurate. The county would retain any and all savings. The county, state and federal agencies would share the risk and increased cost due to increases in population or major changes in

economic or environmental factors. The county reserves the right to renegotiate the allocation if there are significant changes in policy, regulation or law at the state or federal level that would have adverse impact related to staffing required or increased responsibilities assigned to the county

The county would also want to negotiate the ability to receive increased allocations earlier in the life of the project, with reduced allocations occurring in later months to hold overall project costs neutral.

Costs included in the waiver would likely include:

- FC maintenance payments
- FC general administrative payments

Costs excluded would be:

- Training
- Adoption Assistance Payment
- SACWS payments

Cost neutrality could be achieved through agreed monthly allocation amount (re monthly amount paid each month is considered cost neutral). An additional measure to consider is the average cost per child either pre/post waiver or as compared to a control group (see evaluation).

PROJECT PERIOD:

Up to five years starting either state fiscal year July 04 or federal fiscal year October 04.